

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Ref No. 6701

**DECLARATION OF STEPHEN J. KURZ IN CONNECTION WITH THE  
NOTICE OF LETTER AGREEMENT TO SECOND AMENDED AND  
RESTATED INVESTMENT AGREEMENT**

I, Stephen J. Kurz, hereby declare as follows:

1. I am the Global Head of Asset Management of Galaxy Digital Capital Management LP (“Galaxy”), a global asset management platform offering a suite of institutional-grade investment vehicles that span active, passive and venture strategies.

2. I am duly authorized to make this declaration (this “Declaration”) on behalf of Galaxy and submit this Declaration in support of the *Notice of Letter Agreement to the Second Amended and Restated Investment Services Agreement* [D.I. 6701] (the “Notice”).<sup>2</sup> I am not being compensated for this testimony.

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon: (i) my personal knowledge, information and belief, or my opinion based upon experience, knowledge and information; (ii) information learned from my review of relevant documents;

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<sup>1</sup> The last four digits of FTX Trading Ltd.’s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson’s Commercial Complex, Friars Hill Road, St. John’s, Antigua and Barbuda.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Notice and the Letter Agreement attached thereto as Exhibit A.

and/or (iii) information supplied by persons working directly with me or under my supervision, direction or control. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

4. In connection with the *Order Authorizing FTX Trading Ltd. to Enter Into, and Perform Its Obligations Under, the Investment Services Agreement* [D.I. 2504] (the “IMA Order”), on September 13, 2023, Galaxy and the Debtors entered into the Investment Services Agreement (the “IMA”), pursuant to which Galaxy was retained by the Debtors to serve as an investment advisor with respect to certain digital assets held by the Debtors.

5. On November 3, 2023, Galaxy and the Debtors entered into an amended and restated IMA [D.I. 3661] (the “A&R IMA”), pursuant to which, among other things, Galaxy was retained by the Debtors to serve as an investment advisor with respect to certain trust assets held by the Debtors. The Debtors’ entry into, and performance under, the A&R IMA was approved by the Court on November 28, 2023 [D.I. 4138] (the “A&R IMA Order” and, together with the IMA Order, the “IMA Orders”).

6. On January 26, 2024, Galaxy and the Debtors entered into that certain Letter Agreement Re: Re-designation of certain Digital Assets under the Second Amended and Restated Investment Services Agreement (the “Letter Agreement”). The Specified Tokens referenced in the Letter Agreement are Complex Assets that may include, among other things, relatively illiquid tokens or certain other tokens with characteristics that would require Galaxy to take different approaches to sell Complex Assets as compared to other crypto assets.

7. I understand that Complex Assets were initially excluded from Galaxy’s mandate under the IMA and the A&R IMA because the parties agreed that market conditions at the time did not warrant Galaxy’s services with respect to such tokens.

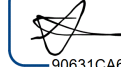
8. However, since the Court entered the IMA Orders, the market activity for certain tokens has opened the possibility of value-accretive sales. If the Specified Tokens remained excluded from Galaxy's mandate under the A&R IMA, they would remain with the Debtors, unsold and unmonetized, leaving the value of such tokens open to significant market volatility and potential decline. I understand that the Debtors, the Official Committee of Unsecured Creditors and Ad Hoc Group of Non-US Customers of FTX.com would now like Galaxy to manage these Specified Tokens to take advantage of current market conditions.

9. The increase in fees referenced in the Letter Agreement is to compensate Galaxy for the extra time, effort and cost required to manage these Specified Tokens. The fee payable to Galaxy for managing the Specified Tokens will be calculated based on the fiat proceeds of such assets once they are sold.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: February 7, 2024

DocuSigned by:



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Stephen J. Kurz  
Managing Director and Global Head of Asset  
Management  
Galaxy Digital Capital Management LP